

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF AGRICULTURE

Grant Agreement

THIS AGREEMENT, made and entered into as of the **1st day of July, 2004**, by and between the Commonwealth of Kentucky, Department of Agriculture, Division of Food Distribution, hereinafter referred to as the Department, and

WITNESSETH, THAT:

Whereas, the Department, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following function briefly described as:

The distribution of commodities made available by the United States Department of Agriculture pursuant to 7 U.S.C. 612c to eligible soup kitchens, food banks, food pantries, and emergency feeding organizations in accordance with 7 CFR Part 250 and 251 and the Hunger Prevention Act of 1988, P.L. 100-435. The Department is to provide funds, as available under 7 U.S.C. 612c, for the actual storage, transportation, and distribution costs for commodities ordered by the state;

And

Whereas, the Second Party is available, willing and qualified to perform this function, and the Department desires that the Second Party perform this function;

Now, therefore, it is hereby and herewith mutually agreed by and between the parties hereto as follows:

1. The Second Party agrees to perform the services as hereinafter described with particularity as follows:
 - a) Distribution of Section 110 commodities made available pursuant to this agreement through congregate feeding sites or food banks, food pantries, (as applicable), or emergency feeding organizations in conjunction with its emergency food and shelter program;
 - b) Enter into written agreements with the local organizations and provide to the Department a complete list of the names, addresses, and the services provided by the local organizations;
 - c) The Department retains the right to exclude any local organizations from program participation. The Department is to be notified immediately, in writing, of a cancellation of a local agreement and the reasons for cancellation;
 - d) Accepts full responsibility for all foods until they have been distributed to eligible recipients;
 - e) Specifically understands and agrees that the Department may revise the terms of this contract to reflect the requirements of any USDA approved state plan for emergency food distribution authorized by the provisions of Public Law 98-8 (7 U.S.C. 612c) as amended;
 - f) Further agrees to establish a mechanism for the receipt and orderly resolution of complaints filed pertaining to the administration of the emergency food distribution program by the Second Party;
 - g) Agrees not to diminish normal expenditures for food because of receipt of federal food commodities, but to use this distribution as a supplement to their other food sources;

- h) Agrees to comply with instructions of the Department in regard to transfer of all donated commodities remaining in food banks or their subcontractee's possession or control at the time of termination;
- i) Assume all risks of loss and to indemnify and hold the Department, it's offices, agents and employees, harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgements, including costs, attorneys' and witnesses' fees, and expenses incident thereto, for injuries (including death) to persons and for loss of, damage to, or destruction of property arising out of or in connection with this contract.
- j) Procure for completed contracts, single agency-wide audits in accordance with appropriate state and federal laws, regulations and OMB Circulars. Complete financial and program compliance audits shall be performed in accordance with applicable regulations and policies. The Second Party accepts responsibility for any audit exceptions arising from its failure to comply with the terms of the contract including all laws and regulations applicable to federally and state funded activities.

1.1 The Second Party and its subcontractors shall comply with the following requirements and procedures as specified in the Commodities Procedural Instructions for Soup Kitchens and Food Banks.

- a. Accepts only the amounts of commodities which will be used without waste. In the event of any disagreement over amounts to be made available, the determination of the Department is final.
- b. Provide facilities, adequate in the opinion of the Department, for the handling, storage and distribution of commodities and properly safeguard the commodities against theft, spoilage, and other loss. Donated foods are not to be sold, exchanged or otherwise disposed of without the approval of the Department.
- c. Not charge any individual/agency for USDA foods distributed or services related to the distribution of USDA foods. For sites distributing food to households for home consumption, maintain a record of: 1) the number of households to whom food is distributed; 2) the names and addresses of all persons or households receiving foods; 3) the type of documentation used to determine need (income eligibility); 4) dates of food distribution; and 5) household size. 6) signature of household. A "household" is defined as an economic unit which is a group of related or unrelated people who share all significant income and expenses of its members, and is characterized by sharing expenses such as: food, housing, medical costs, and household insurance. More than one economic unit may live in the same household. Separate economic units living in the same household are characterized by prorating of expenses and have economic independence of each other.
- d. Maintain accurate and complete records of receipt, disposal and inventory of commodities (Consolidated Report KY-FD-27-FB). Ensure that Soup Kitchens keep daily records of the number of meals served, date served and type of meal served (breakfast, lunch, dinner). The report shall be submitted within ten (10) days following the end of the month.
- e. Submit form USDA Commodity Distribution Monthly Reimbursement Report, KY-FD-29-FB to the Department on or before the 30th of each month for the prior month.
- f. Submit such reports as are required by the Department in a timely fashion. Failure to submit timely reports may be as basis for cancellation of this agreement.
- g. All instances of lost commodities are to be recorded on a KY-FD-25-FB Donated Food Loss Report and submitted to the First Party within ten (10) days of the discovery of the loss for losses over \$100. Lost commodities are those which, for any reason, cannot be demonstrated by records or other evidence, satisfactory to the Department, to have been delivered to, or to be available in good condition for delivery to, needs persons or households for whom they were donated by the United States Department of Agriculture. Commodities may be lost through theft, damage, spoilage, infestation, improper distribution, sale or exchange, diversion to an improper use or similar causes.

- h. Food pantries/food boxes may distribute USDA food for whom consumption only to households whose eligibility can be determined by self declaration of gross income through completion of an Income Declaration form (Commodity Application Register KY-FD-30-FB) indicating income below the levels shown for the appropriate household size in the table below. (Income scale is based on 130% of the Federal Poverty Guidelines and is updated every July 1. Said criteria are subject to change as required by federal or state law or regulation.) The Department reserves the right upon written notice to the Second Party to adjust the eligibility criteria as necessary..
- i. Food pantries may distribute foods to eligible households in the amounts shown in the Soup Kitchen/Food Bank Commodities Household Distribution Rate, KY-FD-54-FB.

The Department reserves the right upon written notice to the Second Party to adjust the distribution rate set forth in the Household Distribution Rate as necessary based upon the amount of commodities made available by USDA to the Commonwealth for distribution to qualifying participants. The Second Party's subcontractors may reduce its rate of distribution of a commodity(s) to ensure all needy households will be served. However, if deemed necessary, the rate may be reduced with prior approval from the state agency. In addition, households will be permitted to refuse any part of an allotment that they do not intend to use.

- j. The second party accepts full responsibility for compliance with the provisions of this agreement, including liability for any commodities lost through its and/or subcontractors negligence.
- k. In accordance with 7 CFR Section 251.9(6)(g), the distribution of shall not be used as a means for furthering interest of any individual party.
- l. The Commodities Procedural Instructions for Soup Kitchens and Food Banks is hereby incorporated as if attached.
- m. Agrees to comply with Attachment A, "Certification of Lobbying".

2. In relation to this agreement, the Department agrees to perform the following functions:

- a. Provide technical assistance and training as determined necessary by the Department.
- b. Provide storage space prior to distribution for commodities made available to the Second Party at its warehouse in Russell Springs, Ky. Contingent upon the availability of funds the Department transports stored commodities from Russell Springs to a site designated by the Second Party.
- c. Monitor activities on an annual basis. This monitoring will include a review of the most recent agency audit, expenditure reports, donated food loss reports, warehouse inventory records and warehouse space. Monitoring will also be conducted of at least 20 subcontractors.

3. PAYMENTS

For the Second Party's performance of the function described hereinbefore, the Department agrees that payment shall be made as follows:

Reimbursement shall be provided on receipt of the monthly reimbursement report which shall be submitted by the Second Party on a monthly basis. The June monthly reimbursement report which is required for the close out of the state fiscal year shall be submitted no later than **July 15**.

Reimbursement shall be made at the rate of 14¢ per pound of food distributed.

- 3.1. Payment by the Department to the Second Party shall be made only after receipt of appropriate, acceptable, and timely bills submitted to the Department by the Second Party. Payment by the Department to the Second Party, as well as the Second Party's continued performance, shall be

subject to the availability and allocation of local agency or governmental funds, or state or federal funds necessary to finance the performance of the services described in this agreement.

4. TOTAL AMOUNT AND CONTRACT PERIOD

The Second Party's fees and expenses relative to the performance of the services described herein shall not exceed a total of **\$00.00 (ZERO 00/100)**, which is based on the amount paid for federal year 2003 times two and the exact amount is contingent upon Federal funding received from USDA and the passage of the Farm Bill for the federal years of 2005 and 2006. The period within the current contract in which the subject services are to be performed is from July 1, 2004 to June 30, 2006, it being understood that this agreement is not effective and binding until approved by the Secretary of the Finance and Administration Cabinet.

5. SUBCONTRACTING

The Second Party agrees that all requirements of this contract shall also be applicable to subcontractors and that subcontractors shall be required to report to the Second Party in a manner which will meet the Second Party's reporting requirements to this Department.

6. FINANCIAL MANAGEMENT SYSTEM (APPLICABLE ONLY TO CONTRACTS WHERE REIMBURSEMENT IS BASED UPON ACTUAL, ALLOWABLE COSTS)

The Second Party agrees to establish and/or maintain a financial management system which shall provide for:

- a) Accurate, current, and complete disclosure of the financial results of the functions/services performed under this contract in accordance with reporting as set forth in 7 CFR 3015 subpart T., OMB Cir. A-87 and/or A-122, as applicable.
- b) Records that identify the source and application of funds for activities/functions/services performed pursuant to this contract. These records shall contain information pertaining to federal and/or state funds received, obligations, unobligated balances (if applicable), assets, liabilities, expenditures, and income;
- c) Effective control over and accountability for all funds, property, and other assets. The Second Party shall safeguard all such assets and shall assure that they are used solely for authorized purposes in the provisions of functions/services under this contract;
- d) Procedures for determining reasonableness, and allowability of costs in accordance with provisions of 7 CFR 3015 subpart U., Uniform Federal Assistance Regulations Cost principles - OMB Circulars A-87 and/or A-122;
- e) Accounting records that are supported by source documentation.

7. AUDIT REQUIREMENTS

7.1. The Second Party is responsible to secure a financial audit of the fees and expenses incurred under this contract.

7.2. If the Second Party receives and expends \$300,000 or more of federal assistance during their fiscal year, they are required by federal regulations to secure a financial compliance audit.

Federal assistance includes both federal dollars received directly from a federal agency or indirectly through a State of other agency, and any required local match.

This audit requirements is in addition to the requirements, if any, contained in paragraphs 7.1 and 7.4. However, all audit requirements of this contract may be combined in a single audit.

7.3. If the contract contains federal assistance (not including Medicaid fixed rate payments):

The financial compliance audit must be performed in accordance with OMB Circular A-128 if the Second Party is governmental agency.

The financial compliance audit must be performed in accordance with OMB Circular A-133 if the Second Party is a non-profit, hospital, or higher education agency.

The Auditor's financial statements shall contain a supplemental schedule that is similar to Exhibit 22.2 of the AICPA Audit and Accounting Guide for Audits of State and Local Government Units (1994 Revisions).

- 7.4. A copy of the engagement letter between the Second Party and their independent auditor shall be submitted to the Division of Food Distribution, Department of Agriculture, 107 Corporate Drive, Frankfort, KY 40601.

This engagement letter must include at a minimum detail audit requirements such as those set forth in the Department's "Contract for Audit", (Mar 95 Revision).

8. INDIRECT COSTS

Section 1. Definitions. As used in this Provision, the following definitions shall apply unless the specific context dictates otherwise.

- a) "Direct Costs" means those costs that can be identified specifically with and charged in whole or in part to a particular project, service, program or activity of an organization.
- b) "Indirect Costs" means those costs of an organization which are not specifically identifiable with a particular project, service, program, or activity but nevertheless are necessary to the general operation of the organization and the conduct of the activities it performs.
- c) "Administrative Activities" means those activities performed by an organization in the development and implementation of policy and the management of the organization necessary to fulfill the functions and obligations of the organization. These activities generally include, but are not limited to, agency and personnel management, accounting, auditing, and legal services.
- d) "Service Activities" means those activities carried out by an organization which are integral and necessary to the production and/or delivery of specific products and/or services.
- e) "Indirect Administrative Costs" means those costs for administrative activities of an organization which are not specifically identifiable with a particular project, service, program or activity.
- f) "Cost Allocation Plan" means the written description of processes for identification, accumulation, and distribution of costs together with the allocation methods used.

Section 2. Indirect Administrative Costs

- a) The Department of Agriculture will limit payment to contractors for indirect administrative cost to no more than fifteen percent (15%) of the contract total. For the purpose of this provision, contract total means total actual, allowable expenses reimbursed by the Department.
- b) The provision is applicable to all personal service contracts and program administration contracts which are of a cost reimbursement type. The provision does not apply to competitively bid contracts or negotiated fixed priced contracts.
- c) When offering a contract for bid or negotiation, the Department shall clearly indicate that the State will limit its reimbursement of indirect administrative cost to no more than fifteen percent (15%) of the total actual allowable expenses reimbursed by the Department. If total indirect administrative cost exceeds such limit, the additional expense shall be the responsibility of the contractor and not the Commonwealth.
- d) In cases where payment to a contractor is made on a fixed price/fixed fee basis and the fixed price/fixed fee is established based upon a consideration of a prior year actual

allowable cost (e.g., regional mental health/mental retardation boards), such contracts shall be subject to the indirect administrative cost limitations set forth herein.

- e) There shall be no restrictions to limitations on indirect administrative costs paid for with contractor local funds and used to satisfy in-kind or matching requirements.
- f) In the event more restrictive contract provisions or federal and/or state laws and/or regulations apply to a particular contract, such laws, regulations, or contract provisions shall prevail with respect to limitations of indirect administrative cost.
- g) In the event an audit results in a finding that the indirect administrative cost limitations set forth herein has been exceeded for the period of performance under the contract, payment made by the Department to the Contractor in consideration of such cost shall be subject to recovery from the contractor by the Department.

Section 3. Allocation Plan Required.

- a) A contractor shall maintain a written plan for allocation of direct and/or indirect costs in instances where the contractor organization operates more than one (1) project, service, program or activity. The general requirement for any cost allocation plan is that it shall provide for an equitable distribution of allocable direct costs and indirect costs to each project, service, program or activity that benefits from such costs. The cost allocation plan must be consistently and uniformly applied except where it is determined to be in the best interest of the Department and contract provisions specifically exempt a particular fund source. Only those costs that are not specifically identifiable to a single project, service, program or other direct activity shall be allocated.
- b) In the event a contractor has a cost allocation plan in operation which has been accepted and approved by the contractor's cognizant federal agency, the Department will recognize such cost allocation plan as applicable for purposes of recording and reporting reimbursable costs to the extent that such costs are allowable. Acceptance of such plan by the Department is contingent on compliance by the contractor with all federal and/or state laws, regulations, and rules applicable to the various programs/activities funded by the Department and, further, that an audit will be completed and reported to the Department which will include a statement as to the contractor's compliance with the indirect administrative cost limitations set forth in this provisions.

Section 4. Documentation Requirements for Costs

- a) All direct or allowable direct charges shall be documented by appropriate source documents to support the direct charging of the expense.
- b) The contractor shall document the method used to allocate direct and/or indirect costs.
- c) The contractor shall indicate the allowable indirect administrative cost amount and the percentage such amount represents in each contract budget and/or the final expenditure report as an indication of compliance. If the contractor is operating under a cost allocation plan as described in Section 3.B., then the amount and percentage of indirect administrative cost will be reported in the required audit.
- d) Reports of audits performed to meet federal and/or state requirements and which are conducted by independent public auditors, Department auditors, and/or the State Auditor, shall contain a statement as to the compliance of the contractor with the cost limitations set forth herein.

Section 5. Subcontracts

- a) In the event the primary contractor subcontracts with any non-state government agency or organization or individual pursuant to or relating to its contract with the Department, the indirect administrative cost of the primary contractor shall not exceed fifteen percent (15%) of the total actual allowable expenses reimbursed by the Department excluding such subcontracted costs. The indirect administrative of the subcontractor shall not exceed fifteen percent (15%) of the total actual allowable expenses reimbursed by the

primary contractor or the subcontractor. Exceptions to such division of indirect administrative cost between the primary contractor and the subcontractor shall be subject to case-by-case negotiation between the Department and the prime contractor. In such cases, where an exception to the limits together with the reasons for the exception shall be expressed in the terms and conditions of the resulting contract. In no event shall combined indirect administrative costs of the prime contractor and subcontractor(s) in the aggregate exceed fifteen percent (15%) of the total allowable expenses reimbursed by the Department.

9. SOCIAL SECURITY

The parties to this agreement are cognizant that the Department is not liable for Social Security contributions pursuant to 42 U.S. Code, Section 418, relative to the compensation of the Second Party during the period of this agreement.

10. EXTENSION/AMENDMENTS

The terms and conditions of this agreement may be extended or amended at any time by mutual agreement of the parties in writing, subject to the approval of the Secretary of the Finance and Administration Cabinet (if required).

11. TERMINATION

Either party shall have the right to terminate this agreement for cause at any time upon 30 days written notice served upon the other party by certified or registered mail with return receipt requested. In addition, either party may terminate this agreement immediately for cause upon written notice served upon the other party by registered or certified mail with return receipt requested.

12. DISCRIMINATION (BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX OR AGE) PROHIBITED.

During the performance of this contract, the Second Party (the contractor) agrees as follows:

- 12.1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex or age. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- 12.2. The contractor will, state in all solicitations or advertisements for employees placed by or on behalf of the contract, that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex or age.
- 12.3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

- 12.4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 12.5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 12.6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
- 12.7. The contractor will include the provisions of paragraphs (1) through (7) of Section 202 of Executive Order No. 11246 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the secretary of Labor, issued pursuant to Section 204 of Executive Order No 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
- 12.8. The contractor agrees to comply with all applicable federal and state laws and regulations pertaining to the recognition and protection of the civil rights of persons to whom services are rendered and to applicants for such services during the performance of this contract.

13. DISCRIMINATION (BECAUSE OF HANDICAP) PROHIBITED.

- 13.1. The contractor agrees to comply with the provisions of Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity receiving federal financial assistance.
- 13.2. To comply with the provisions of the Americans with Disabilities Act of 1990, P.L. 101-336.

14. JOB LISTING AND EMPLOYMENT PRIORITY

- 14.1. The Second Party agrees to list all jobs/positions created as a result of this agreement and to cause all subcontractors to this agreement to list all job employment openings with the local employment office of the Department for Employment Services.
- 14.2. The Second Party agrees to give and to cause all subcontractors to this agreement to give first priority for employment for positions created as a result of this agreement to public assistance recipients of the Department for Social Insurance unless such priority violates federal or state law.

15. ACCESS TO AND MAINTENANCE OF RECORDS

- 15.1. The Second Party agrees that the Department and/or the federal grantor agency the Comptroller General of the United States and/or the Kentucky Auditor of Public Accounts, and/or any of their duly authorized representative or agents including independent auditors, shall have access to any

books, documents, papers, and records of the Second Party which are directly pertinent to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- 15.2. The Second Party agrees to maintain all records pertaining to this contract for a period of not less than three (3) years after all matters pertaining to this contract (i.e., audit, settlement of audit exceptions, disputes,) are resolved in accordance with applicable federal and/or state laws, regulations, and policies (except as may otherwise be specified in this contract).
- 15.3. The Second Party agrees to permit staff of the Department, persons acting for the Department, and/or staff designated by appropriate federal agencies, to monitor and evaluate services being performed. The Second Party also agrees to submit all records and documentation of service provisions in regard to contracted and subcontracted services when requested for monitoring purposes.

16. PURCHASING AND SPECIFICATIONS

The Second Party certifies by his signature hereinafter that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect, nor will he attempt in any way to influence any purchasing of services or commodities by the Commonwealth of Kentucky. For the purpose of this agreement, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he" is construed to mean any person with an interest therein.

17. CONFLICT-OF-INTEREST LAWS AND PRINCIPLES

The Second Party hereby certifies by his signature hereinafter that he is legally entitled to enter into the subject contract with the Commonwealth of Kentucky and certifies that he is not and will not be violating either directly or indirectly any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390, 210.110, 210.990 (1), or any other applicable statute) or principle by the performance of this contract.

18. CHOICE OF LAW AND FORUM PROVISION

All questions as to the execution, validity, interpretation and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this Agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

19. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION, LOWER TIER COVERED TRANSACTIONS:

The Second Party hereby certifies the following by signing of this agreement:

- 19.1. That neither it nor its principals and/or subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- 19.2. Where the prospective recipient of Federal Assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall submit an explanation to the Department.
- 19.3. The instructions for certification, which are an integral part of this certification, have been read and agreed to by the Second Party.

ACCESS TO CONTRACTOR'S BOOKS, DOCUMENTS, PAPERS, RECORDS, OR OTHER EVIDENCE DIRECTLY PERTINENT TO THE CONTRACT

The Contractor as defined in KRS 45A.030 (7) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers records, or other evidence provided to the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1) © prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency was providing the services.

Considerations:

Payments on personal service contracts and memorandum of agreements shall not be authorized for services rendered after Government Contract Review Committee disapproval, unless the decision of the committee is overridden by the secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the secretary.

(Print or Type Name of
Executive Director of Local Agency)

KENTUCKY DEPARTMENT OF
AGRICULTURE
Division of Food Distribution
107 Corporate Drive
Frankfort, KY 40601

Signature of Executive Director
Local Agency

Executive Director, Office of Consumer &
Environmental Protection

Date

Date

Approved as to Form and Legality:

Kentucky Department of Agriculture Legal
Counsel

Date

DEPARTMENT OF AGRICULTURE
CERTIFICATION OF LOBBYING
February 11, 1991

No State funds appropriated to the Second Party pursuant to this contract shall be used to influence, either directly or indirectly, the introduction or modification of any Federal or State legislation, or the outcomes of any Federal, State, or local election, referendum, or initiative.

In addition, for any payment involving federal funds, the Second Party certifies, to the Best of his or her knowledge and belief, that for the preceding contract period, if any, and for this current contract period:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Second Party, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Second Party shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The Second Party shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure.